

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MARKET DOMINANT PRODUCT PRICES
INBOUND MARKET DOMINANT MULTI-SERVICE AGREEMENTS
WITH FOREIGN POSTAL OPERATORS 1

KOREA POST - UNITED STATES POSTAL SERVICE
MULTI-PRODUCT BILATERAL AGREEMENT (MC2010-35)
NEGOTIATED SERVICE AGREEMENT

Docket No.
R2017-6

**NOTICE OF UNITED STATES POSTAL SERVICE OF FILING
EXECUTED AGREEMENT**
(February 15, 2017)

The Postal Service gives notice that it is filing the executed bilateral agreement between Korea Post and the United States Postal Service. The Postal Service incorporates by reference its application for non-public treatment of materials filed under seal in this docket.¹ A redacted copy of the executed agreement is filed publicly with this notice as Attachment 1, while an unredacted copy has been filed with the Commission under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business and Service Development

Christopher C. Meyerson
Attorney

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Washington, D.C. 20260-1137
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¹ Notice of United States Postal Service of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement, and Application for Non-Public Treatment, Docket No. R2017-6, February 13, 2017, at Attachment 1.

KOREA POST – UNITED STATES POSTAL SERVICE MULTI-PRODUCT BILATERAL AGREEMENT

This Agreement ("Agreement") is between the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the Government of the United States with offices at 475 L'Enfant Plaza SW, Washington, DC 20260, and Korea Post, the postal operator in the Republic of Korea, organized and existing under the laws of the Republic of Korea, and having a place of business at Ministry of Science, ICT and Future Plan at 8th Building, Government Complex, Sejong, 30114, Korea. The USPS and Korea Post may be referred to individually as a "Party" and together as the "Parties."

INTRODUCTION

WHEREAS, the Parties desire to enter into a non-exclusive relationship whereby the Parties will provide each other certain products and/or services pursuant to the terms and conditions contained herein;

WHEREAS, the Parties acknowledge and understand that the commencement of performance under this Agreement is subject to the approval of and/or non-objection by various entities with oversight responsibilities, which may include but not be limited to the USPS senior management, the USPS Governors, the USPS Board of Governors, and/or the U.S. Postal Regulatory Commission. Accordingly, Korea Post acknowledges and understands that the ability of the USPS to perform under this Agreement may not occur, and in this respect the provisions of Articles 2 and 3 shall apply;

WHEREAS, in light of the aforementioned acknowledgements, the Parties desire to be bound by the terms of this Agreement as well as the terms of Article 3 of this Agreement entitled "Conditions Precedent";

NOW, in consideration of the mutual promises set forth below, the Parties hereby agree as follows:

Article 1: Purpose of the Agreement

The purposes of this Agreement include:

- continuing a Republic of Korea to United States small packet with delivery scanning product for small packets that meet certain minimum size requirements, do not exceed 2 kilograms in weight, and are within the size limits established in Universal Postal Union Letter Post Regulations Article RL 122, as specified in Annexes 1, 2, and 4 of this Agreement;
- establishing a new United States to Republic of Korea small packet with delivery scanning product for small packets that meet certain minimum size requirements, do not exceed 2 kilograms in weight, and are within the size limits established in Universal Postal Union Letter Post Regulations Article RL 122, as specified in Annexes 1 and 5 of this Agreement; and
- establishing certain settlement rates and dispatch requirements for United States to Republic of Korea Air Parcels, as specified in Annexes 1 and 6 of this Agreement.

Article 2: Oversight and Effective Date

The terms and pricing set forth under this Agreement require the approval from various entities that have oversight responsibilities for the USPS as set out in Article 3 below. Upon execution of this Agreement, the USPS shall seek such approval. The Parties agree that this Agreement shall come into effect after all such approvals have been obtained by USPS and notification to Korea Post by the USPS that all required approvals have been obtained. The date of notification shall be "the Effective Date," unless an alternative date is proposed by the USPS' and agreed to by Korea Post in a return communication, in which case that alternative date shall be the Effective Date.

Article 3: Conditions Precedent

The Parties acknowledge and understand that all obligations of the USPS under this Agreement shall be contingent on the USPS receiving approvals from, and/or non-objection by one or more internal and external bodies that have oversight responsibilities (hereinafter "Conditions Precedent"). Conditions Precedent may include but are not limited to: approvals or, if applicable, non-objection, from USPS senior management, the Governors of the USPS, the USPS Board of Governors, and the U.S. Postal Regulatory Commission. The Parties acknowledge that this Agreement might not be approved by such bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to provide the products or services contemplated under this Agreement, no obligation shall exist for the USPS or Korea Post and no benefit or rights granted through this Agreement shall inure to either Party unless and until the Effective Date occurs.

Article 4: Limitation on Liability and Costs

In the event that the Conditions Precedent are not fulfilled, the USPS and Korea Post shall have no liability, which shall include no obligation to pay costs associated with any action taken by Korea Post prior to the Effective Date of the Agreement. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, neither Party shall be held liable for any damages including, without limitation, the following: actual damages; special damages; indirect damages; incidental damages; punitive damages; consequential damages; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any cost incurred by either Party attributable to such non-approval such as attorney's fees.

Article 5: Price Changes; No Effect on Service Terms

For each of the services with specific terms and conditions set forth in an attachment to this Agreement, any adjustments to the rates for the services shall be subject to the terms and conditions set forth in the Annexes of this Agreement.

Article 6: Monetary Transactions

1. Each Party will bear the costs and retain the revenues for any work performed by itself and by agents or contractors on its behalf, unless the Parties agree to other arrangements to allocate costs or revenues and those arrangements are incorporated in an Amendment to this Agreement. Any such Amendment shall be governed by Article 18 below.
2. All taxes and duties are the sole responsibility of the Party to whom they are duly assessed and shall not be charged to any other Party in any form unless the Parties otherwise provide in an Amendment to this Agreement. Any such Amendment shall be governed by Article 18 below.

Article 7: Customs Inspection

USPS bears no responsibility for the disposition of items in the custody of U.S. Customs & Border Protection. Further, Korea Post understands that all contents of any item, including items that are treated as sealed mail under USPS regulations, are subject to inbound search and inspection by U.S. Customs & Border Protection, regardless of when the USPS elects to conduct verification and acceptance of any inbound items.

Article 8: Termination

1. Either Party may terminate this Agreement without cause upon 30 days advance written notice to be served on the other Party, with such termination effective as of the end of the calendar month in which the 30-day notice period expires. The right to terminate the

Agreement for good cause remains unaffected, and failure by a Party to make timely and full payment of any undisputed invoice or portion of an invoice so constitutes good cause.

2. In the event of termination of the Agreement under this Article, the Parties shall be liable to make final settlement of all amounts owing as of the effective date of the termination. Each Party shall bear its own costs in the event of termination. All further rights and remedies shall remain unaffected.
3. In the event of termination, and as of the effective date of termination, [REDACTED] neither Party shall be liable to the other for any damages including, without limitation, actual, special, indirect, incidental, punitive, consequential or any other damages (including, without limitation, damages for loss of business profits, business interruption or any other loss) for any reason incurred as a result of the [REDACTED]

Article 9: Dispute Resolution

1. The Parties intend to resolve all controversies under this Agreement informally through correspondence, oral communications, and informal meetings.
2. If the method described in the above paragraph proves insufficient to resolve a controversy, the Parties agree that the signatories to this agreement, or their replacement, shall provide a written description of the controversy to the other Party and a suggested outcome. The Parties will review the information provided and shall attempt in good faith to come to an agreement on the issue through correspondence, oral communications, or informal meetings.
3. If the methods described in the above paragraph prove insufficient to resolve a controversy, the Parties agree that each Party may exercise its right to terminate this Agreement, or an action relating to cost or revenue liability may be instituted and maintained only in the United States District Court for the District of Columbia.
4. Notwithstanding the provisions of this Article 9, and without prejudice to Article 11, paragraph 1, in the event of conflict or inconsistency between the provisions of this Article 9 and Article 11, paragraph 1, the provisions of Article 11, paragraph 1 shall prevail.

Article 10: Construction

Except as otherwise provided in this Agreement, this Agreement shall be governed by and construed in accordance with U.S. Federal law.

Article 11: Indemnification and Liability

1. The Parties acknowledge that aspects of liability or indemnification [REDACTED] [REDACTED] not expressly governed by this Agreement are subject to the appropriate provisions of the Acts of the Universal Postal Union and any reservations the Parties have taken to those instruments.
2. In the event that an entity not party to this Agreement asserts claims against Korea Post or USPS that are attributable to the actions of the other Party to this Agreement and are not subject to the provisions of the Acts of the Universal Postal Union, the latter Party shall indemnify the defending Party for, and hold the defending Party harmless from, any losses, damages or liabilities suffered by the defending Party as a result. In that instance, the indemnifying Party shall also reimburse the defending Party for all reasonable expenses incurred in connection with investigating, preparing for, or defending any such claim, whether in an administrative, regulatory or judicial proceeding, and whether or not the indemnifying Party is named in the proceeding.

3. Neither Party to this Agreement shall be liable to the other Party nor will indemnify the other Party for any loss or damage including without limitation, actual, special, indirect, incidental, punitive, consequential or any other damages (including, without limitation, damages for loss of business profits, business interruption or any other loss) for any reason, except for the following:
 - a. liability and indemnification as described in Article 11, paragraphs 1 and 2,
 - b. final settlement under Article 8, or
 - c. any actual damage or loss suffered by a Party as a result of a breach of this Agreement by the other Party.
4. Nothing in this Agreement shall be construed as an acknowledgment or concession regarding the validity of any claim or the entitlement of any Party to any amount of damages.

Article 12: Language

The official version of this Agreement, including all supporting documentation and correspondence, shall be in English. The English language shall be the controlling language for the purpose of interpreting this Agreement, and all correspondence between the Parties pertaining to this Agreement shall be in the English language. In the event of inconsistency between any terms of this Agreement, including its supporting documentation and correspondence, and any translation into another language, the English language meaning shall control.

Article 13: Confidentiality Requirements

1. The Parties consider the rate information included in this Agreement to be commercially sensitive information and agree that it should not be disclosed to third parties except as required by law. Korea Post will treat as confidential and not disclose to third parties, absent express written consent by the USPS, any information related to this Agreement that it understands is treated as non-public by the U.S. Postal Regulatory Commission.
2. Korea Post acknowledges that as part of securing approval of this Agreement and in other subsequent regulatory filings, the Agreement and supporting documentation will be filed with the U.S. Postal Regulatory Commission ("Commission") in a docketed proceeding. Korea Post authorizes the USPS to determine the scope of information that must be made publicly available under the Commission's rules. Korea Post further understands that any unredacted portion of this document may be posted on the Commission's public website, www.prc.gov. In addition, the USPS may be required to file information in connection with this instrument (including revenue, cost, or volume data) in other Commission dockets, including the Commission docket number for the Annual Compliance Report (ACR) for the USPS fiscal year(s) in which the Agreement is in effect. Each ACR docket has a distinct docket number, such as ACR201#, in which ACR201# signifies the USPS fiscal year to which the ACR pertains. Korea Post has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22, on the Commission's website: www.prc.gov/Docs/63/63467/Order225.pdf. At Korea Post's request, the USPS will notify Korea Post of the docket number of the Commission proceeding to establish the rates in this instrument under U.S. law, once that docket number has been assigned.

Article 14: Severability

If any of the provisions of this Agreement shall be held void or unenforceable, the other provisions shall survive and remain in full force and effect, subject only to either Party's unilateral right to terminate the Agreement.

Article 15: Notices

Any notice or other document to be given under this Agreement will be in writing and addressed as set out below. Notices may be delivered by hand, email, or Express Mail Service.

To the USPS:

Teresa Yeager
General Manager, Business Development, Asia Pacific
United States Postal Service
475 L'Enfant Plaza SW, Room 5821
Washington, DC 20260
United States of America
teresa.y.yeager@usps.gov

To Korea Post:

[REDACTED]
Korea Post
8th Building, Government Complex,
Sejong, 30114
Republic of Korea
[REDACTED]

Article 16: Force Majeure

Neither Party shall be liable for its failure to perform under the terms of this Agreement due to any contingency beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid, court orders, whether valid or invalid, inability to obtain material, equipment, or transportation, and any other similar or different contingency.

Article 17: Legal Status of this Agreement

This Agreement constitutes a legally binding agreement on the part of each signatory hereto and does not bind the Parties' respective governments. The Parties acknowledge that this Agreement sets out the terms and conditions of a negotiated contractual arrangement between the Parties and is not an agreement entered into or subject to international law. This Agreement does not involve the creation of a wholly-owned subsidiary of any Party or a joint venture company or partnership funded in any ratio by the Parties. The Parties do not intend that any agency or partnership relationship be created between any of them by this Agreement. Through this Agreement, the Parties do not create or designate any third-party beneficiaries.

Article 18: Amendment

This Agreement may be amended or extended only by mutual written agreement signed by authorized representatives of Korea Post and USPS (an "Amendment"). Neither a Party's acquiescence in any performance at variance to this Agreement nor a Party's failure to exercise any right or enforce any obligation shall be deemed an amendment to this Agreement. The Amendment may be contingent upon any and all necessary approvals by USPS senior management, the USPS Governors, the USPS Board of Governors, and/or the U.S. Postal Regulatory Commission. If such approvals are required, the Amendment will not become effective until such time as all necessary approvals are obtained.

Article 19: Assignment

This Agreement may not be assigned in whole or in part by any Party without the prior written consent of the other Party. Each Party may, however, delegate certain of its responsibilities under this Agreement to a subsidiary or other affiliate entity within its organizational structure without the

need for consent by the other Parties so long as such subsidiary or entity would be bound by this Agreement.

Article 20: Applicability of Other Laws

1. The Parties acknowledge that this Agreement does not involve the USPS's acquisition of property or services and is not subject to the Contract Disputes Act (41 U.S.C. §§ 7101 et seq.).
2. The Parties recognize that performance under this Agreement may be subject to laws enacted or enforced by governmental entities and is contingent on each Party obtaining all consents, authorizations, orders, or approvals required under applicable law or policy to effectuate the Agreement.
3. The Parties understand that USPS may be required to provide copies of this Agreement to the U.S. Department of State and the U.S. Postal Regulatory Commission. Korea Post acknowledges that the entire Agreement, or portions thereof as the USPS determines to be appropriate, will be filed with the U.S. Postal Regulatory Commission with a notice to add it to the competitive and/or market dominant products lists.

Article 21: Entire Agreement

1. Except as otherwise provided in this Agreement, this Agreement, including all Annexes to this Agreement, shall constitute the entire agreement between the Parties concerning the exchange of international mail described herein.
2. The Parties acknowledge that the provisions of the Universal Postal Convention and applicable regulations apply except to the extent inconsistent with this Agreement.
3. Neither Korea Post nor the USPS is released from any obligations arising under the Korea Post – United States Postal Service Multi-Product Bilateral Agreement executed by Korea Post on November 13, 2015, and by the USPS on November 12, 2015, as amended by Modification One executed by Korea Post on November 15, 2016, and by the USPS on November 15, 2016.
4. Neither Korea Post nor the USPS is released from any obligations arising under the Licensing Agreement for the Use of USPS Trademarks and/or Logos on Packaging, Labels and/or Marketing Materials Outside the United States executed by the USPS on October 17, 2013, and by Korea Post on November 22, 2013.
5. With the exception of the Agreements mentioned in Paragraphs 3 and 4 of this Article, or as otherwise indicated in this agreement, any prior agreement, understanding, or representation of any kind pertaining to the subject matter of this Agreement and preceding the date of execution of this Agreement shall not be binding upon either Party.

Article 22: Term

1. The Parties intend that the Effective Date of the settlement rates for the products set forth in Annex 1 of this Agreement shall be April 1, 2017.
2. The USPS will notify Korea Post of the Effective Date of the Agreement within thirty (30) days after all Conditions Precedent are satisfied. USPS shall have no obligation to notify Korea Post of the status of the approval process or of potential fulfillment of the approval process. The Agreement will remain in effect for until June 30, 2018, unless terminated sooner pursuant to Article 8 of this Agreement. Before the expiration of this period, the Agreement shall be reviewed by both Parties to determine whether to extend or modify the Agreement.

Article 23: Intellectual Property, Co-Branding, and Licensing

The Parties acknowledge that in relation to improving existing international products or services, or developing new international products or services, under this Agreement that such products or services may be enhanced through the use of co-branding or the use of each Party's trademarks, logos or other intellectual property. In such instances, the Parties acknowledge and agree that any use shall be subject to separate written license agreements. The Parties acknowledge and agree that neither Party shall use the other Party's trademarks, logos or intellectual property until such time that a license for each specific use has been executed by the Parties. The Parties also agree to assist each other as needed with the filing of any required documents, including but not limited to any necessary license records before the applicable governmental authorities or third party entities, should such licenses be executed between the Parties. Korea Post acknowledges and agrees that USPS is the exclusive owner of, among other marks, the trademarks USPS®, USPS ePACKET®, ePACKET®, Commercial ePacket®, United States Postal Service®, and United States Postal Service® and Eagle Design, (also known as the "USPS Marks"); that Korea Post may use the USPS Marks only with express written permission and under license from USPS; and that any use of Korea Post of the USPS marks shall inure to the benefit of USPS.

Article 24: Survival

The provisions of Articles 4, 6, 8, 9, 10, 11, 12, 13, 14, 15, 21, 22, and 23 shall survive the conclusion or termination of this Agreement, as well as any other terms insofar as they apply to the Parties' continuing obligations to one another under the articles listed above.

Article 25: Paragraph Headings and Reference Citations

The titles to the paragraphs of this Agreement are solely for the convenience of the Parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

Article 26: Counterparts

The Parties may execute this Agreement in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

Article 27: Warranties

The Parties, through the undersigned, represent and warrant that they have authority to, intend to, and hereby do bind themselves and their respective operating subsidiaries, divisions, and branches to the obligations and commitments set forth in this Agreement

IN WITNESS WHEREOF, the Parties agree to be bound as of the latest date of signature to the terms and conditions of this Agreement.

Korea Post

Hongjae Kim.

Deputy Director General,
International Business and Affairs

2/15/2017
Date

United States Postal Service

Cliff Rucker

Senior Vice President
Sales and Customer Relations

2/9/17
Date

Annex 1: Settlement Rates

Rates

The rates below shall be in effect for the term of this Agreement, as set forth in Article 22. Changes in rates during the term of this Agreement will be negotiated and agreed to in accordance with Article 18.

Settlement rates listed in the tables included below are product stream rates per piece and per kilogram stated in Special Drawing Rights (SDRs) unless noted otherwise. The rates are set on the conditions that current work-sharing arrangements are substantially maintained. Any changes to current work-sharing (i.e., sortation and preparation) arrangements will be subject to negotiations and mutual written agreement, including, but not limited to, agreement as to any impact on pricing.

[REDACTED]

Korea to USA			
Stream	Service Description	Settlement Charges (SDR / Piece)	Settlement Charges (SDR / Kg)
A, UD, BG	SMALL PACKET WITH DELIVERY SCANNING	[REDACTED]	

USA to Korea			
Stream	Service Description	Settlement Charges (SDR / Piece)	Settlement Charges (SDR / Kg)
[REDACTED]			

/1 A mail "Stream" is defined by Mail Category, Mail Subclass, and Receptacle Type.

/2 The rates in this Annex 1 reflect all applicable rates between the Parties as of the Effective Date. The UPU rates shall continue to apply to all mail streams that are not reflected in this rate table.

[REDACTED]

[REDACTED]

The rates for the mail stream categories in this Annex 1 of this Agreement shall be based upon the following format and product definitions.

Specifications of Letter Post Product Categories and Formats

Republic of Korea to United States Small Packet with Delivery Scanning (also known as "ePacket®")
Refer to Annexes 2 and 4 of this Agreement

[REDACTED]

[REDACTED]

Annex 2: Republic of Korea to United States Small Packets with Delivery Scanning (also known as "ePacket[®]")

Package Specific Preparation Requirements

1. **Package Dimensions and Weight.** Each Small Packet with Delivery Scanning (ePacket[®]) package shipped under this agreement must conform to the size and weight limitations specified in the UPU Letter Post Manual or as bilaterally agreed. Specifically, each package shall not exceed 2 kilograms in weight or limits of size specified in UPU Article RL 122.
2. **Package Contents.** Packages shall conform to the importation restrictions of the United States as set forth in the *Mailing Standards of the United States Postal Service*, International Mail Manual, section 710 ("Treatment of Inbound Mail"), which can be accessed online at http://pe.usps.com/text/imm/immc7_001.htm; and in accordance with the United States country listing in the Universal Postal Union's List of Prohibited Items, which can be accessed at the Universal Postal Union website at <http://www.upu.int/en/activities/customs/prohibited-and-restricted-articles/cds-list-of-prohibited-and-restricted-articles.html>. Packages should also conform to USPS's regulations on Mailable Dangerous Goods as set forth in IMM section 135, which can be accessed online at http://pe.usps.com/text/imm/immc1_014.htm. USPS shall not be responsible for the contents or customs status of any packages imported under this Agreement. For packages seized or disposed of by U.S. Customs and Border Protection and not released, the sending post will not be charged postage for those packages. For packages detained but eventually released, applicable postage will apply. The sending post agrees to communicate these requirements to shippers as a condition of shipment.
3. **Package Labeling.** Below is a sample label for Small Packet with Delivery Scanning (ePacket[®]).

  		Air Mail Postage Paid Korea Post	
USPS Tracking #  LK 000 000 000 KR USPS personnel scan barcodes above for delivery event information			
FROM: Tel: FOREIGN RECIPIENT ADDRESS SUITE/APT. NUMBER CITY/STATE/OTHER POST CODE COUNTRY		 ZIP 22161	
TO: Tel: NAME STREET ADDRESS SUITE/APT. NUMBER CITY/STATE ZIP+4 USA		COUNTRY : US	

CUSTOMS DECLARATION		IMPORTANT - May be opened officially		CN 22	
세관선고서		공식적으로 개관할 수 있음			
Documents (서류)	Commercial sample (물품검본)				
Documents (서류)	V	Merchandise (물품)			
Declared weight (declared contents) (선고물량)	Unit (단위)	Weight (중량)	Value (가치)	Net Weight (순무게)	Goods Origin (원산지)
Total Weight / Value					

I, the undersigned, whose name and address are given on the form, certify that the particulars given in this declaration are correct and that this item does not contain any dangerous article or articles prohibited by regulation or by postal or custom law. (I am a carrier of dangerous goods, explosives, inflammable, or corrosive materials.)
 I am a carrier of dangerous goods, explosives, inflammable, or corrosive materials.
 Date and sender's signature

Receptacle Preparation Requirements

1. **Separation from other products.** The Small Packet with Delivery Scanning product (ePacket®) that is described in this Agreement will be sorted in receptacles separate from other mail pieces. Other international products, including, but not limited to, other Letter Post products (such as Registered Mail), Express Mail Service (EMS), Air Parcels (Air CP), and direct entry packages, may not be commingled in receptacles containing Small Packet with Delivery Scanning (ePacket®) items.
2. **Receptacle Identification.** Each receptacle will contain a 29-character UPU barcode containing the bilaterally agreed-upon mail subclass code of "UD."
3. **Receptacle Routing.** To expedite the processing and delivery of these packages, the sending post may present receptacles to corresponding Offices of Exchange (OEs) per the routings outlined in Annex 4.

Dispatch Preparation Requirements

1. **Separation from other products.** The Small Packet with Delivery Scanning (ePacket®) product that is described in this Agreement will be dispatched separately from other mail pieces. Other international products, including but, not limited to, other Letter Post products, Express Mail Service (EMS), Air Parcels (Air CP), and direct entry packages, may not be commingled in dispatches containing Small Packet with Delivery Scanning (ePacket®) items.
2. **Dispatch Identification.** Each dispatch will contain the bilaterally agreed-upon mail subclass code of "UD" and unique dispatch numbers, which shall not repeat within any settlement period.
3. **Dispatch Manifesting.** Each dispatch will be manifested using the existing PREDES messages, whereby the number of receptacles and the total weight and number of pieces contained in each receptacle will be transmitted as accurately and timely as possible, subject to the requirements in Annex 4.
4. **Sortation.** Each sortation of each item in each dispatch must be in accordance with the sortation requirements in Annex 4.

Financial Requirements

ePacket® volumes will be identified and segregated from other Letter Post volume through the assignment of the "UD" mail subclass. Korea Post agrees to generate unique dispatch numbers throughout the course of the settlement period. At the end of each calendar quarter, the corresponding rate, as determined in this agreement, shall be applied to the corresponding ePacket® volume, as identified by the mail subclass. A quarterly ePacket® invoice will be provided separate from the Terminal Dues invoice.

General Settlement Requirements

Undisputed invoices or portions of invoices for any mail originating from Korea Post to USPS, including Letter Post; Air and Surface Parcels; and EMS, that are past due pursuant to current settlement procedures will be charged interest at a rate of [REDACTED]. The portion of interest will be billed each month until the past due account balance (including accrued interest) is paid in full. To the extent that a portion of the invoice is disputed, only the undisputed portion will accrue interest if it becomes past due. No interest will be accrued unless the USPS invoices and provides a minimum of 30 days for payment.

Return Service, Customer Inquiries and Compensation

1. **Return Service.** Return service for undeliverable, refused, or missent packages will be provided consistent with the current procedures for letter-post small packets.

2. **Customer Inquiries.** USPS will not accommodate customer inquiries made by customers in either Korea or the United States through retail units, customer service hotlines, or other channels for ePacket®.
3. **Compensation.** USPS does not offer indemnity or insurance for ePacket®. Accordingly, unless the Parties agree otherwise in a separate written agreement, USPS shall have no such liability.

Service Standards

[REDACTED]

Business Rules for International Mail Settlement for the ePacket® Mail Stream

- Mail Streams. The ePacket® mail stream consists of A UD BG.
- Settlement Rate. The settlement rate per piece and per kilogram is set forth in Annex 1.
- Settlement Documents. USPS will issue a separate ePacket® invoice for the ePacket® mail stream.

[REDACTED]

Annex 3: Detailed Item Content Restrictions

All items mailed under this Agreement must conform to the mailability requirements of the United States Postal Service, as detailed in the International Mail Manual sections 135 and 710; the United States country listing in the Universal Postal Union's List of Prohibited Items; and Domestic Mail Manual section 601. As of the execution date of this Agreement, these materials are available at the following websites, respectively:

http://pe.usps.com/text/imm/immc1_014.htm

http://pe.usps.com/text/imm/immc7_001.htm

<http://www.upu.int/en/activities/customs/prohibited-and-restricted-articles/cds-list-of-prohibited-and-restricted-articles.html>

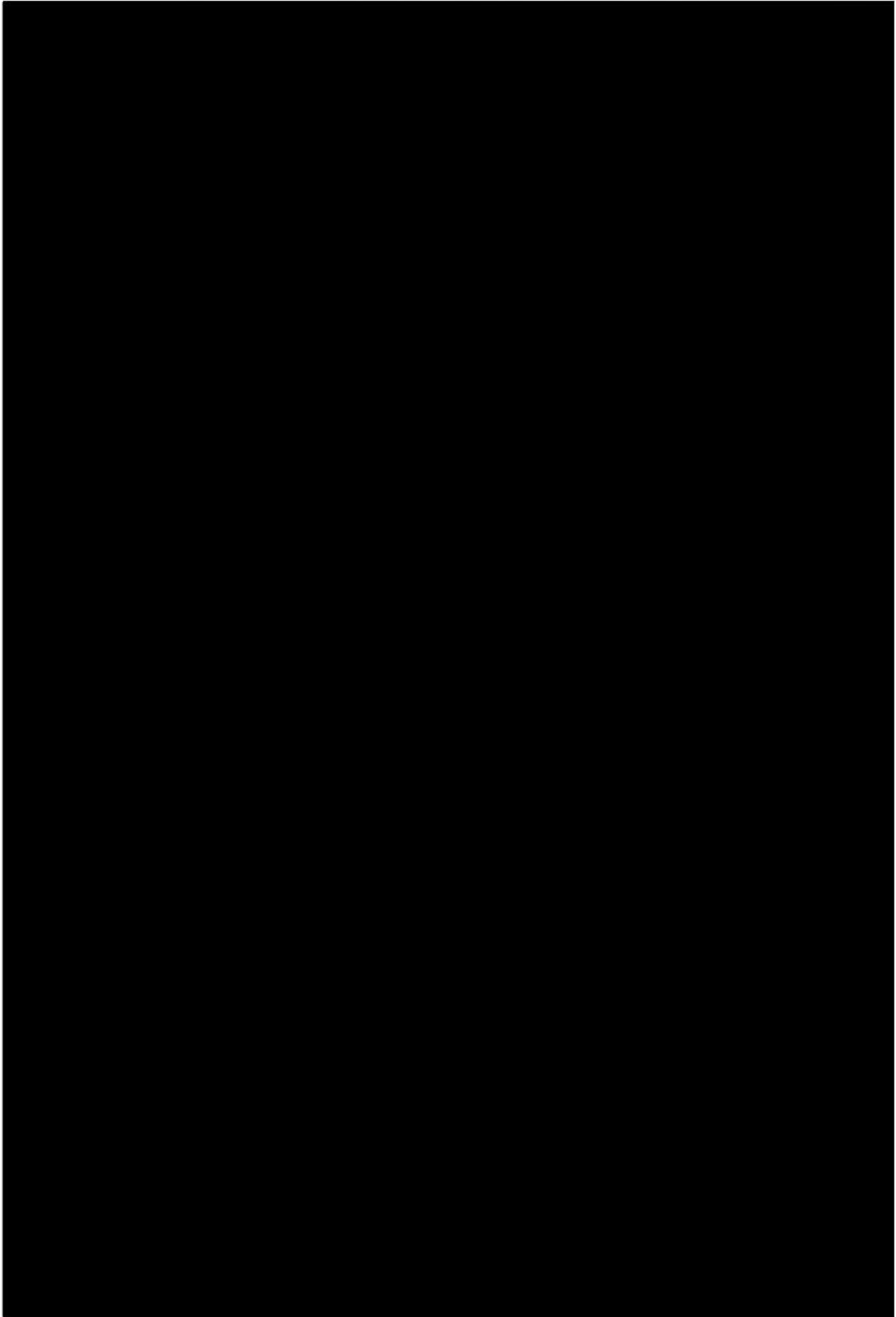
<http://pe.usps.gov/text/dmm300/601.htm>

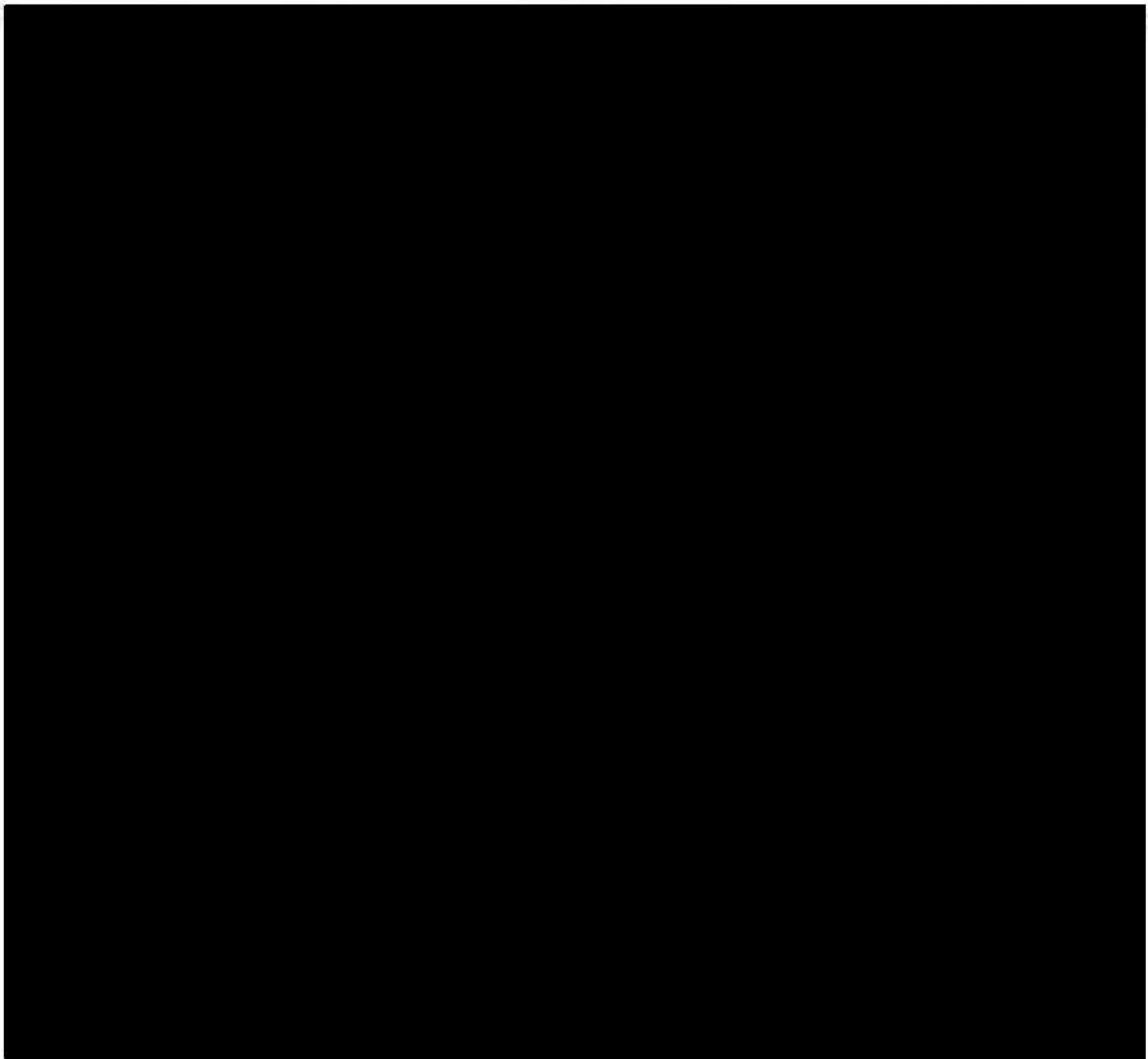
Annex 4: Office of Exchange Routing Details

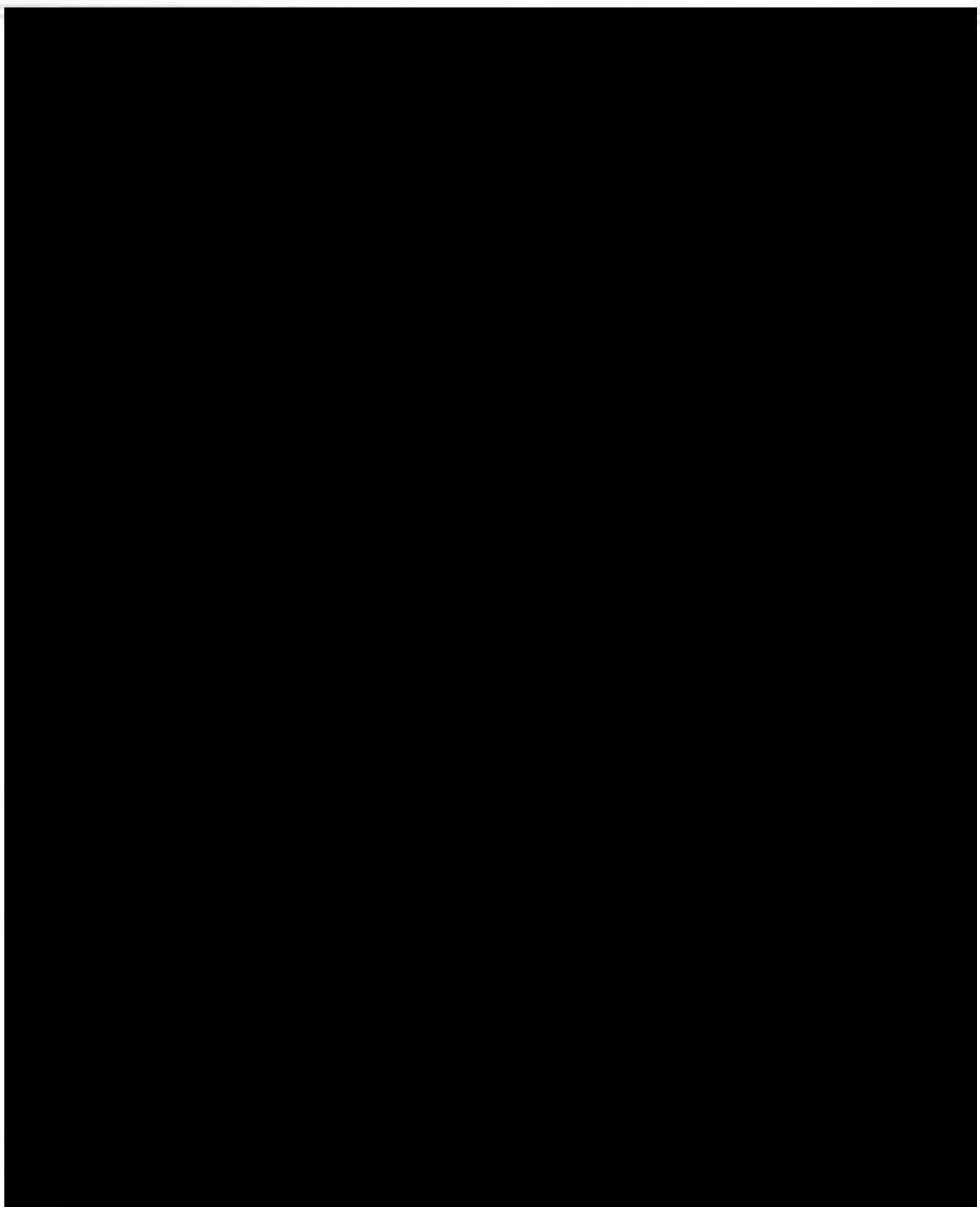
The following table illustrates the appropriate U.S. point of entry for Republic of Korea to United States Small Packets with Delivery Scanning (ePacket®) under this Agreement based [REDACTED]

[REDACTED]

<u>Republic of Korea to United States Small Packets with Delivery Scanning (ePacket®)</u>
[REDACTED]









Annex 7 – Additional Requirements

For services for which rates are set forth in Annex 1 of this Agreement, the following requirements apply to all bidirectional flows originating and destinating in the territories served by both Parties under this Agreement:

Data Exchange Requirements

1. Each Party shall generate and transmit, [REDACTED]
[REDACTED] ITMATTv.8 or higher;
2. Each Party shall generate and transmit, [REDACTED]
[REDACTED] PREDES with item to receptacle information and scheduled flight information;
3. Each Party shall generate for access by the other Party, [REDACTED]
[REDACTED] EMSEVT v.3 with acceptance event and departure from origin office of exchange event scans.